

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	69680	Agenda Number	8.
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Meeting Date:	4/13/2017	Department:	Finance
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Subject

Approve an ordinance amending the Fiscal Year 2016-2017 Operating Budget of the Liability Reserve Fund (Ordinance No. 20160914-001) increasing total available funds by \$1,067,829 from funds received to reimburse the City for amounts paid on claims from a prior year, for a total of \$5,128,829; and increasing requirements by \$2,200,000 to a total of \$6,363,000 to cover judgments Council previously approved and to cover remaining estimated expenditures through the end of the Fiscal Year.

Amount and Source of Funding

Funding in the amount of \$1,067,829 is available from increased revenue to the Liability Reserve Fund.

Fiscal Note

A fiscal note is attached.

Purchasing Language:	
Prior Council Action:	
For More Information:	Diana Thomas, Controller, 512-974-1166
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

If approved, this request for council action will increase the appropriation in the City's Liability Reserve Fund to cover judgments paid to date and to cover remaining estimated expenditures through the end of the City's 2016-2017 Fiscal Year (FY 2016-17).

The deficit balance presented on the fiscal note maintains compliance with the City's financial policy (FY2016-17 Approved Budget, Volume II, p830-831, Reserves # 13), as adopted by Council:

"The City shall maintain a Liability Reserve Fund with a balance sufficient to fund 75% of anticipated claims expense and resulting liabilities, other than those for health benefits and workers' compensation. The Fund will be used to pay and account for such claims expense and liability, which will be identified in accordance with guidelines established by the Governmental Accounting Standards Board. Contributions from each operating fund shall be made in accordance with the fund's pro-rata share of claims expense, determined in accordance with the above mentioned guidelines."

Payments in excess of departmental spending authority must be approved by the City Council. Payments for accrued claims will be paid from the Fund's reserve balance, which will have been appropriated by the City Council. Payments for unaccrued claims will be made against the Fund's current year appropriations. Payments in excess of current year appropriations for any unaccrued claims must be appropriated by the City Council at the time the payment is approved.

Staff will bring forward a funding plan during the FY 2017-18 budget development process in order to address the proposed fund imbalance.